

O-061-10

TRADE MARKS ACT 1994
IN THE MATTER OF REGISTRATION NO 2229315
IN THE NAME OF FRITO-LAY TRADING COMPANY GMBH
IN RESPECT OF THE MARK:

NAKED!

IN CLASSES 29 & 30

AND

AN APPLICATION FOR REVOCATION ON THE GROUNDS OF NON-USE

UNDER NO 82900

BY BEAR NAKED, INC

TRADE MARKS ACT 1994

**In the matter of registration no. 2229315
in the name of Frito-Lay Trading Company GmbH**

and

**An application for revocation (no.82900) on the grounds of non-use
by Bear Naked, Inc**

Background

1. Registration 2229315 stands in the name of Frito-Lay Trading Company GmbH ("Frito"). The trade mark the subject of Frito's registration and the goods for which it is registered are shown below:

NAKED!

Class 29: Savoury snack foods; ready to eat savoury snacks consisting primarily of potatoes, potato chips, potato crisps and fabricated potato chips.

Class 30: Savoury snack foods; ready to eat savoury snacks; chips, crisps, puffs, tortilla chips and crisps; preparations made from cereals and grains; popcorn; rice chips; puffed and extruded savoury snacks.

Frito's registration completed its registration procedure on 11 May 2001.

2. On 14 June 2007 Bear Naked, Inc ("Bear") applied for revocation of Frito's registration under sections 46(1)(a) & (b) of the Trade Marks Act 1994 ("the Act"). Bear claims the following:

- a) That as a result of its investigations, Frito's trade mark has not been put to genuine use in the UK (and there are no proper reasons for non-use);
- b) It adds that where the mark has been used, such use has not constituted trade mark use as it has only been used as a descriptive flavouring indicator;
- c) In the alternative, it says that if Frito's use is held to be trade mark use then such use has only been in relation to potato crisps given that the only ingredients in Frito's goods are potatoes and sunflower oil.

3. Frito filed a counterstatement in which it:

- a) Denied the allegation of non-use;
- b) Denied that its use was as a flavour indicator, claiming instead that its use was as a sub-brand;
- c) Admitting that its products contain only potatoes and sunflower oil but contending that its goods are a type of savoury snack food.

4. Both sides filed evidence, this is summarised below. The matter then came to be heard before me on 17 December 2009 at which Frito were represented by Mr Stephen Jones of Baker & McKenzie LLP and Bear were represented by Mr Stacey of Barron Warren Redfern.

The relevant five year periods

5. The application for revocation is based on sections 46(1)(a) & 46(1)(b) of the Act. Bear seeks revocation with effect from either 12 May 2006 (section 46(1)(a)) or from 14 June 2007 (section 46(1)(b)). The relevant periods are:

Section 46(1)(a) – The registration procedure for *Frito's* mark was completed on 11 May 2001. Therefore, the five year period begins on 12 May 2001 and ends on 11 May 2006. Revocation would take effect (if the application succeeds) from 12 May 2006.

Section 46(1)(b) – Revocation is sought with effect from 14 June 2007. Therefore, the five year period begins on 14 June 2002 and ends on 13 June 2007.

The evidence

Witness statement of Joseph J Ferretti

6. Mr Ferretti works for PepsiCo and provides legal services to the PepsiCo group of companies which includes Frito (Frito is a subsidiary of PepsiCo). He explains that Frito is one of the world's leading manufacturers of snack food products. Mr Ferretti explains that Frito is responsible for the manufacture and distribution of snack foods under the WALKERS brand in the UK (and Germany) and that it has various agreements with Walkers Snack Foods Limited in relation to this. He says that there are a large number of WALKERS branded products (including products sold under the NAKED! trade mark) sold in the UK and its gross revenue in 2006 was in the hundreds of millions of pounds.

7. Mr Ferretti states that the mark NAKED! is used in the UK in relation to savoury snack foods, in particular potato crisps. He provides some graphics of the packaging used for such goods. The graphics are shown later in this decision so I will not depict them here. I note, though, that not all contain the exclamation mark depicted in the mark as registered; Mr Ferretti, though, states that the use of the word NAKED (without the exclamation mark) is a form of use which does not alter the distinctive character of the mark as registered.

8. The brand was first used as part of the WALKERS MAX range of products (since at least 2000). These were last sold in the UK in 2003. Sales invoices (the purchasers are leading supermarkets) are shown in JF-2. The invoices show e.g. "MAX NAKED 55g" other products include W C/ONION, MAX C/ONION. The invoices are from January 2003.

9. Since April 2005, use has been in relation to the WALKERS POTATO HEADS product. Sales figures (for the NAKED products) between 2005 & 2007 are provided.

In 2005 (18/4 – 31/12) 474,725 six packs were sold generating £440,997 in sales. In 2006 1,275,261 six packs were sold generating £1,101,191 in sales. In 2007 (1/1-11/8) 362,000 six packs were sold generating £365,257 in sales. JF3 contains some sales invoices (dated July 2005 & October 2006). They show sales of a variety of products including P/H NAKED6PK. (Mr Ferretti explains that P/H stands for POTATO HEADS).

10. In terms of promotion, this is said to be, in relation to the WALKERS POTATO HEADS range, £4 million in 2005, £4.8 million in 2006 and £1 million in 2007. The expenditure relates to sampling promotions and advertising in magazines (such as *Hello, OK, Chat, Heat, Bella, Take a break, and What's on TV*). A September 2005 media schedule is shown in JF4 to support this. JF5 consists of a further media schedule showing money spent (£250,000) on sampling promotions in 2006; the budget for sampling promotions for WALKERS POTATO HEADS is said to be £500,000.

11. Mr Ferretti states that the mark is used as a sub-brand. He states that the uses shown in JF-1 are in conjunction with a description of flavouring. He adds that the description is added because NAKED! (or NAKED) is not commonly used in the snack food industry to mean unsalted, more commonly used terminology is “natural”, “plain” or “unsalted”.

Witness statement of James Maxwell Stacey

12. Mr Stacey is a partner in the firm representing Bear in this matter, Barron Warren Redfern. After setting out some initial observations he provides some factual evidence about the Potato Heads product taken from the website “walkers.corpex.com”. The print appears to have been obtained on 8 June 2007 being 5 days before the end of the later of the two periods pleaded. There is no indication as to when this page first appeared on the Internet. The print includes the text “available in six flavours” with “Naked (Unsalted)” being one of them. At the side of the page is what appears to be a navigable list which this time includes the word “Naked” – the other designations are: Cheese & Onion, Prawn Cocktail, Ready Salted, Roast Chicken and Salt & Vinegar. A page specifically about the nutritional information of the Naked product is given which, again, refers to Naked (unsalted). The print also shows packaging as per JF1 of Mr Ferretti’s evidence.

13. Mr Stacey provides further examples of packaging (with a sell by date of May 2007) for a Potato Heads variety pack, together with the individual packets (cheese & onion, salt & vinegar and ready slated) together with an individual pack of the Naked product. Mr Stacey asserts that the use of Naked merely denotes the flavour. I note, though, that the flavour indicator on the salt and vinegar packet is presented in a coloured box in the same way as the word “unsalted” in the Naked version. Further examples of packaging are provided in JMS3 which show what Mr Stacey believes to be revised packaging. He notes that the flavours are in a stitched box graphic and that this includes the NAKED designation. The word UNSALTED is not used here. The text now reads “Naked No Added Salt Crisps”.

14. Mr Stacey then provides examples of other undertakings using the word NAKED. JSM4 shows use by Tesco of its “All natural Crisps” the word NAKED!

appears under this designation. At JMS5 is packaging for Tyrrell's Naked Chips (no salt). Mr Stacey says that chips are an alternative word for crisps. Mr Stacey highlights that this second product won an award in 2006 (exhibit JSM6). It is listed As "Tyrrell's Naked Potato Chips (salt free)". An extract from the Guardian is provided in JSM7 about the Tyrrell's product, it includes the text "Its twelve flavours – from their no salt naked chips to smoked salmon horseradish and capers..."

15. Exhibit JMS8 is said to be an example of how the public perceive the word naked. It comes from www.netmums.com. It includes the text:

"Walkers Potato Heads do a "naked" variety of crisp which has just two things listed on the ingredients."

16. Mr Stacey then embarks on a critique of Mr Ferretti's evidence. This is submission rather than fact, therefore, whilst it will be taken into account, I will not summarise it here.

17. At Exhibit JSM10 is an extract from the website of SNACMA - The Snack, Nut and Crisp Manufacturers Association. Walkers Snack Foods is a member of the association. Mr Stacey highlights the use by this association of the word "crisp" which is highlighted as a key category of the trade and, as such, would be a self contained sub-category of snacks. He states that the consumer would refer to crisps as crisps, and not as savoury snack foods.

The law

18. The relevant parts of section 46 of the Act read:

"46.-(1) The registration of a trade mark may be revoked on any of the following grounds –

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c)

(d)

(2) For the purpose of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made:

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that –

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from –

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

19. Section 100 of the Act is also relevant, this reads:

“**100.** If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

The leading authorities

20. The leading authorities on the principles to be applied in determining whether there has been genuine use of a mark are the judgments of the European Court of Justice (“ECJ”) in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks* [2006] F.S.R. 5 (“*La Mer*”). From these judgments, the following points are of particular importance:

- genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);
- the use must be ‘on the market’ and not just internal to the undertaking concerned (*Ansul*, paragraph 37);
- it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);
- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);
- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);
- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);
- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*La Mer*, paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*La Mer*, paragraph 34);
- the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*La Mer*, paragraph 44).

Variant forms of the mark

21. It is clear from the evidence that the mark, as a matter of fact, has been affixed to packets of crisps. Some of this use is use of the mark as registered (with the exclamation mark) and some of it is a variant form of use (without the exclamation mark). The exact form of use is also stylised. Both these issues could have given

rise to detailed analysis of whether the variant versions used were acceptable variants in accordance with section 46(2) of the Act. However, Mr Stacey, on behalf of the applicant for revocation, accepted that such use was an acceptable variant. In view of this, I do intend to probe the matter any further and all forms of use will, therefore, be considered. This, though, does mean that such use is genuine use in accordance with the case-law, that is a different matter altogether.

Genuine use

22. Non-use revocation cases often focus on the scale of the use under the trade mark in question and whether it is sufficient to have created or maintained a share in the market and whether the use is, therefore, warranted in the economic sector concerned. Although Mr Stacey made some observations about Frito's evidence relating to the scale and quantum of its use (for example, that Mr Ferretti did not state that the graphics in his evidence were the actual ones matched to the turnover and he questioned Mr Ferretti's ability to give financial based information) I did not understand him to seriously challenge this aspect of the case. It is quite clear that the scale of use demonstrated in the evidence and within both relevant periods would, all other things being equal, have created or maintained a market share and that such use would be warranted in the relevant economic sector. The use is not insignificant, it can certainly not be criticised as being merely token or that it was internal to Frito. Bear's real argument though, and the one pursued by Mr Stacey at the hearing, related instead to the nature of the use. Put simply, it was argued that the nature of the use was such that it was merely being used as an indication of flavour and not as a trade mark. This argument stems from the following paragraph in *Ansul*:

“36 “Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.”

23. It is worth noting, though, the context and rationale for revocation on the grounds of non-use which can be seen in the 9th recital of the Directive¹, which states:

“(9) In order to reduce the total number of trade marks registered and protected in the Community and, consequently, the number of conflicts which arise between them, it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation.”

24. The rationale is that registers should not be clogged with unused marks otherwise the number of conflicts with other marks will be unnecessarily high. It is, effectively, a use it or lose it policy. However, as can be seen from *Ansul*, the ECJ extends such a policy to use it (as a trade mark) or lose it. It is, though, important to

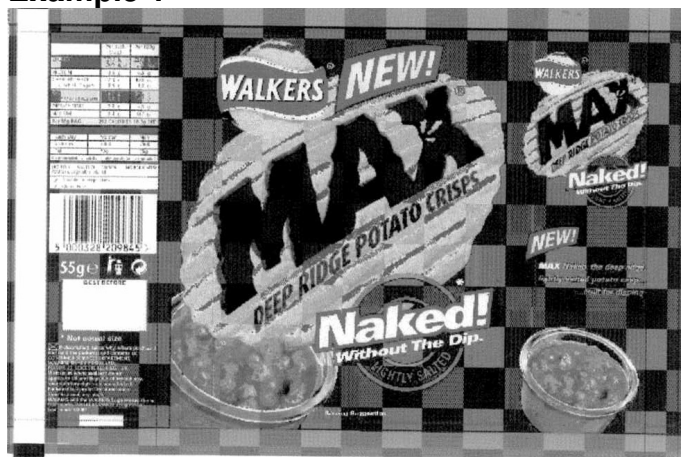
¹ Directive 2008/95/EC of 22 October 2008 codifying Council Directive 89/104/EEC of 21 December 1988.

bear in mind, as Mr Jones pointed out at the hearing, that this is not an assessment of the inherent or factual capacity of the mark to distinguish. There are separate grounds for attacking a mark on the basis that it is descriptive or that it is a term commonly used in the relevant field or that it has become, since registration, generic or deceptive; these issues are not issues for me and Bear have not, in any event, claimed that the mark falls into these categories.

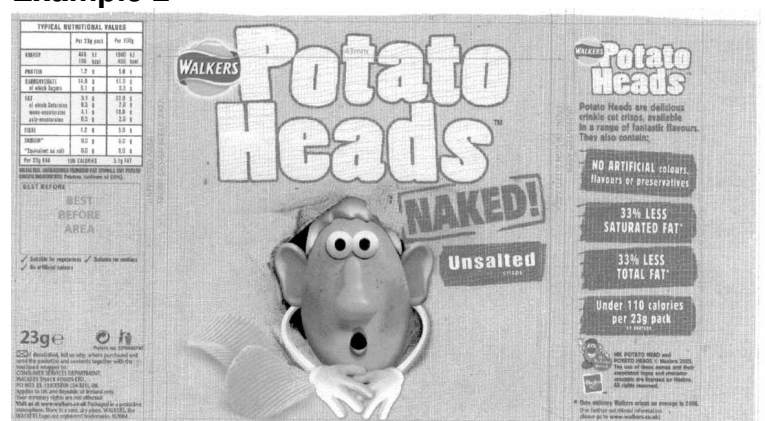
25. In terms of applying this to the case before me, whilst the perception of the average consumer (as to whether they perceive it as a trade mark) is not completely irrelevant, neither can it be decisive, otherwise, the issue of inherent or factual distinctiveness may override the precise assessment to be made. In view of this, I believe the correct test is whether the nature of the use put forward is capable of being taken by the average consumer as a trade origin indicating sign – as it suggests in *Ansul*, whether the nature of the use is consistent with the essential function of a trade mark.

26. Before saying any more, it is worth reflecting on the forms of use set out in Frito's evidence. Six examples of packaging were put forward, but as two of them appear to merely duplicate others, I reproduce only four below:

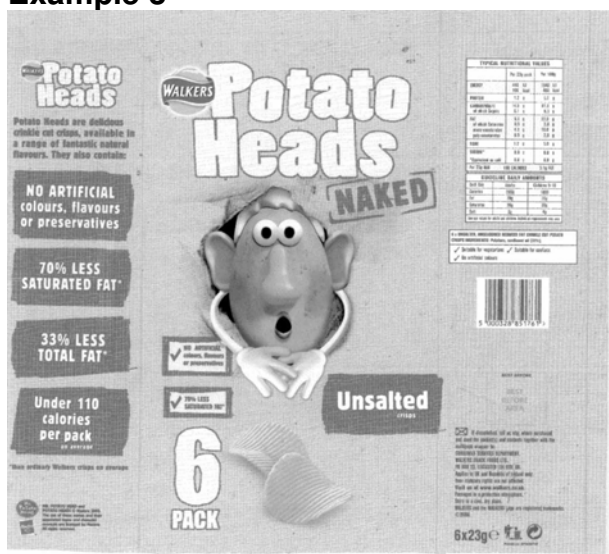
Example 1



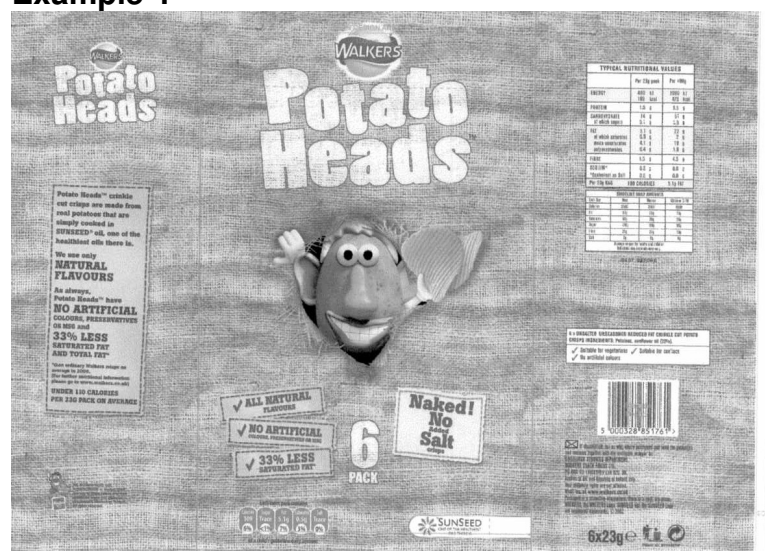
Example 2



Example 3



Example 4



27. The two relevant periods I identified earlier were: 1) 12 May 2001-11 May 2006 (46(1)(a)) and, 2) 14 June 2002-13 June 2007 (46(1)(b)). In view of the provisions of section 46(3) of the Act, the second of these periods takes on greater initial significance because genuine use in this period will be sufficient to save the registration² even if there is no genuine use at all in the first period. Therefore, I will concentrate, to begin with, on the period under section 46(1)(b), namely 14 June 2002-13 June 2007.

28. In relation to the examples depicted above, example 1 ceased to be used in 2003 (no exact date is given) and it would be improper to infer that it was used for the whole of 2003. In terms of length of use, this would represent only a short period of time measured against the relevant period I am assessing. Similarly, example 4 represents, from Bear's own evidence, a redesigned form of packaging subsequent to the use represented in examples 2 & 3. Bear's evidence is that the re-design took place after it had initially (before its application for revocation) purchased some of Frito's products (of the type in versions 2 & 3) and that the re-designed packets were purchased subsequent to this. It also highlights that the sell by date on the initial purchase was May 2007 whereas it is August 2007 on the re-designed packaging. Given all this, it is likely that the re-design took place sometime in 2007. This means that version 4 will, also, have been used for a very short period of time. On the other hand, the examples shown in versions 2 and 3 were used between April 2005 (Frito's evidence) and sometime in 2007 (the redesign date inferred from Bear's evidence). The dates are not exact, but it is clear that the bulk of the use that Frito has made relates to versions 2 & 3. For this reason, I will focus on these examples and decide whether they represent genuine use.

29. When considering examples 2 & 3, it is fair to say that NAKED!/NAKED is not the primary sign used on the packets, indeed, it is not even a secondary sign; the words WALKERS and POTATO HEADS perform those roles respectively. However, the use of NAKED!/NAKED is separate from, and in addition to, what is being used as the indication of flavour (the word "unsalted"). Therefore, both examples have additional forms of wording that would be seen as a simple description of the flavour of the crisps.

30. Taking examples 2& 3 on face value, I believe that whilst an average consumer could perceive some form of suggestive meaning behind the use of the word NAKED/NAKED! (although I remind myself that this is not a question of inherent distinctiveness), it will not be perceived as the flavour indicator due to the presence of a clearer form of wording that performs that role. This increases the capacity for it to be seen as a trade mark. Packaging could, of course, contain more than one indication of flavour or information that simply describes the nature/flavour of the product, however, there is no suggestion that the mark is descriptive or commonly used and the nature of the form of use certainly has the capacity for it to be seen as a sign which, at the least, performs a dual role of both re-enforcing the flavour message but doing so in a way which is consistent with the essential function of a trade mark. I can easily see an average consumer referring to Frito's "naked" range of crisps (in terms of meaning a product of Frito).

² On the basis of commencement or resumption of use.

31. I note Mr Ferretti's own statement in his evidence that descriptive wording (presumably such as "unsalted") is added to the packaging because Naked is meaningless and not commonly used. This statement could, arguably, be said to highlight that the intention is to use the word as a flavour indicator but that some education of the public is needed to get the message across. I can see the argument, but, either way, I do not consider that this prevents the mark as used from performing the dual role as described in the previous paragraph.

32. Bear, though, has provided some evidence of how the mark may be perceived. The evidence comes from the Netmums website where one user commented:

"Walkers Potato Heads do a "naked" variety of crisp which has just two things listed on the ingredients"

33. Whilst I can see why Bear filed this evidence as it could be indicative of public perception as to trade mark use or otherwise, it is still only one piece of evidence. In any event, the form of language used could point in either direction, the person could simply be referring to a variety as in flavour, or alternatively, that "naked" is a Walkers (Frito) range; the form of expression used leaves me with no clear picture either way. However, I do note that the person puts the word "Naked" in quotation marks which seems an unlikely method of writing if a purely descriptive indication of flavour was being referred to; this could indicate the user seeing something in the use of NAKED beyond mere flavour denotation; I do not, though, place much weight on this point.

34. Bear filed other evidence including evidence from Frito's website where, in text, it uses the words "NAKED (UNSALTED)" and when listing available flavours it also uses these words and, furthermore, it also has a navigable list of flavours which includes (amongst cheese and onion, prawn cocktail, ready salted, roast chicken and salt & vinegar) the word "Naked". Had this been the evidence that Frito was relying on then Bear's argument would have been stronger. However, although it is on Frito's website, the primary form of use, and the use relied on by Frito, is on the crisp packets themselves and it is not as though the website use will swamp the crisp packet use to the extent that an average consumer would have been educated that the word (on the crisp packet) is merely a flavour indicator. Similar arguments were made by Mr Jones in relation to Frito's invoices, but I give the same response and, in any event, they are merely condensed and abbreviated forms of wording to identify the products and they tell me little, either way, as to trade mark use or otherwise.

35. Bear's evidence also includes some packaging for Frito's potato head crisps that do not carry the NAKED sign. They include flavour indicators in a coloured background in the same way as the words UNSALTED in examples 2 & 3 above. Bear also provided another form of packaging similar to example 2, but it is not as though the word NAKED! has replaced the flavour indicator in the coloured background box. As stated above, it is a separate designation; this evidence does not really assist Bear's case.

36. The other pieces of evidence I should mention are those filed by Bear showing that Tesco and Tyrrell also use the indication NAKED. I do not see how this can really assist the question as to whether Frito has used its trade mark consistent with

the essential distinguishing function. As stated earlier, I am not dealing with descriptiveness or commonality of use (the evidence would fail on commonality in any event).

37. In conclusion, I consider that examples 2 & 3 represent use of the trade in a manner consistent with the essential distinguishing function. The use of examples 2 & 3 occurred for a reasonable period of time during the relevant period and the scale of such use is also significant. This, therefore, constitutes genuine use. In view of this finding, it is not necessary to comment on examples 1 & 4 (assessment will not improve either side's position) nor to deal in detail with the relevant period under section 46(1)(a) (examples 2 & 3 were also put to use in this period).

A fair specification

38. Having found that there has been genuine use, I am left to consider what would be a fair specification to reflect the use that has been shown. In determining this, I take into account the helpful guidance provided in a number of cases. In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 Aldous LJ stated at paragraph 31:

“Pumfrey J. in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view the task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use.”

39. In *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-126/03 the CFI stated:

“42 The Court observes that the purpose of the requirement that the earlier mark must have been put to genuine use is to limit the likelihood of conflict between two marks by protecting only trade marks which have actually been used, in so far as there is no sound economic reason for them not having been used. That interpretation is borne out by the ninth recital in the preamble to Regulation No 40/94, which expressly refers to that objective (see, to that effect, *Silk Cocoon*, cited at paragraph 27 above, paragraph 38). However, the purpose of Article 43(2) and (3) of Regulation No 40/94 is not to assess commercial success or to review the economic strategy of an undertaking, nor is it to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-334/01 *MFE Marientfelde v OHIM – Vétoquinol (HIPOVITON)* [2004] ECR II-0000, paragraph 32, and Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-0000, paragraph 38).

43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories relating to which the goods or services for which the trade mark has actually been used actually belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

46 Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories.

.....

53 First, although the last sentence of Article 43(2) of Regulation No 40/94 is indeed intended to prevent artificial conflicts between an earlier trade mark and a mark for which registration is sought, it must also be observed that the pursuit of that legitimate objective must not result in an unjustified limitation on the scope of the protection conferred by the earlier trade mark where the goods or services to which the registration relates represent, as in this instance, a sufficiently restricted category.”

40. In *Animal Trade Mark* [2004] FSR 19 Jacob J held:

“20 The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pedantic way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for threeholed razor blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods--are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made.”

41. Frito's mark is registered in relation to:

Class 29: Savoury snack foods; ready to eat savoury snacks consisting primarily of potatoes, potato chips, potato crisps and fabricated potato chips.

Class 30: Savoury snack foods; ready to eat savoury snacks; chips, crisps, puffs, tortilla chips and crisps; preparations made from cereals and grains; popcorn; rice chips; puffed and extruded savoury snacks.

42. The evidence shows that only one product has been sold, namely, crisps, specifically potato crisps; Mr Jones did not dispute this at the hearing before me. It is also clear that these goods fall in class 29³. Mr Stacey argued that the specification should be limited to potato crisps (I note, though, that in his evidence he refers to crisps rather than potato crisp) as this was a recognised sub-category of goods. Mr Jones, on the other hand, argued that a broader form of wording should be allowed (such as "ready to eat savoury snacks consisting primarily of potatoes") as this is what crisps are and, furthermore, that similar types of crisp-like savoury snack foods would also be included within this description and which would not, therefore, be an overly broad designation. Mr Jones also argued that a similar form of wording should also be permissible in class 30 so as to cover crisp-like products made from potato flour (the product known as *Pringles* illustrates the type of product concerned).

³ This is confirmed by WIPO's international Classification of Goods and Services under the Nice Agreement.

43. The job in coming to a fair specification involves a balance between being picky and being overly broad. One must have regard to the nature of the product/s, whether use has been on only one product or a range of them, one must have regard to the applicable categories and sub-categories used in the relevant trade and, the perception of the relevant public is also important. Taking this into account, it seems unlikely that a member of the public or the trade would naturally describe the product sold as a ready to eat savoury snack consisting primarily of potatoes. It may fall within that description, but so could many other things.

44. The public and the trade are more likely to describe it as a crisp. Although some traders and members of the public may sometimes refer to a crisp with more specificity (as a potato crisp) the majority of uses seen in the evidence (the use by Tesco, the reference in Netmums, the use by Frito itself, the reference in the Guardian to the Tyrrell's product) use the word "crisp". The evidence from SNACMA shows that this trade body is open to "any UK manufacturer of potato crisps, savoury snacks or snack nut products" but the name of the organisation itself is "The Snack, Nut and Crisp Manufacturers Association." In view of all of this, whilst "ready to eat savoury snack foods" (potato based or otherwise) strikes me as a broader general category of product, "crisps" is a clear and recognised sub-category.

45. It is also noteworthy that use has been shown on one product and one product alone. There is, therefore, less justification in moving to a more general category such as was permitted in the *Animal* case. Mr Jones may believe crisps to be too picky a specification, however, pickiness in the context of the use shown would occur with descriptions such as "unsalted crinkle cut potato crisps"; this would be the equivalent of Jacob J's "three-holed razor blades imported from Venezuela". I do not propose such a picky specification, but my finding is that "crisps" is a perfectly reasonable specification for the use shown.

46. In relation to class 30, I do not consider it appropriate to maintain a registration in a class for which no use on any goods that fall within that class has been made. The fact that that class may include something similar is not relevant.

Conclusion

47. The application for revocation is partially successful. *Frito's* registration is hereby revoked under the provisions of section 46(6)(b) of the Act with effect from 12 May 2006 other than for:

Class 29: Crisps; potato crisps and fabricated potato crisps.

48. In relation to the above, crisps replaces the terms "Savoury snack foods" and "ready to eat savoury snacks consisting primarily of potatoes" as a recognised sub-category. Potato chips are removed because although "chips" may be an Americanism for crisps, the normal understanding in the UK is of a chip and not a crisp. Potato crisps and fabricated potato crisps fall within the term "crisps" so they may be retained as more specifically defined terms of the allowable sub-category.

Costs

49. As both sides have achieved a measure of success, I do not propose to favour either of them with an award of costs.

Dated this 16 day of February 2010.

**Oliver Morris
For the Registrar
The Comptroller-General**